

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 2  
**DOCKET NO.:** 2008-0401-AIR-E **TCEQ ID:** RN100221878 **CASE NO.:** 35516  
**RESPONDENT NAME:** Tennessee Gas Pipeline Company

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

**SITE WHERE VIOLATION(S) OCCURRED:** Tennessee Gas Pipeline Compressor Station 32 Jasper, 9217 State Highway 63 West, Jasper County

**TYPE OF OPERATION:** Natural gas compressor station

**SMALL BUSINESS:** ☐ Yes ☒ No

**OTHER SIGNIFICANT MATTERS:** There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

**INTERESTED PARTIES:** No one other than the ED and the Respondent has expressed an interest in this matter.

**COMMENTS RECEIVED:** The *Texas Register* comment period expired on June 23, 2008. No comments were received.

**CONTACTS AND MAILING LIST:**  
**TCEQ Attorney/SEP Coordinator:** None  
**TCEQ Enforcement Coordinator:** Mr. J. Craig Fleming, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5806; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  
**Respondent:** Mr. Scott Miller, Senior Counsel, Tennessee Gas Pipeline Company, El Paso Building, Room N1937B, 1001 Louisiana, Houston, Texas 77002  
 Mr. Daniel B. Martin, Senior Vice President, Tennessee Gas Pipeline Company, El Paso Building, Room N1937B, 1001 Louisiana, Houston, Texas 77002  
**Respondent's Attorney:** Not represented by counsel on this enforcement matter

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> February 4, 2008</p> <p><b>Date of NOV/NOE Relating to this Case:</b> February 25, 2008 (NOE)</p> <p><b>Background Facts:</b> This was a record review.</p> <p><b>AIR</b></p> <p>Failure to maintain an emission rate below the allowable emission limits. Specifically, during the emission testing conducted on August 23, 2007, the Carbon Monoxide ("CO") emissions from Engine 5A were 9.64 pounds per hour ("lbs/hr") (authorized limit of 7.28 lbs/hr), and 3.98 grams of CO per brake horsepower per hour (authorized limit of 3.0 grams of CO per brake horsepower per hour) [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 56321, Special Conditions 1 and 2, and TEX. HEALTH &amp; SAFETY CODE §382.085(b)].</p>	<p><b>Total Assessed:</b> \$2,050</p> <p><b>Total Deferred:</b> \$410  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$1,640</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. Compressor engine 5A unit was taken off-line and removed from service on August 23, 2007;</p> <p>b. Necessary repairs were completed, and the unit was restarted and returned to service on November 15, 2007; and</p> <p>c. Emission testing was successfully completed for the purpose of demonstrating compliance on November 16, 2007.</p>

Additional ID No(s): Air Account No. JC0019S



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision February 29, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b>	3-Mar-2008	<b>Screening</b>	10-Mar-2008	<b>EPA Due</b>	5-Nov-2008
	<b>PCW</b>	10-Mar-2008				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Tennessee Gas Pipeline Company		
<b>Reg. Ent. Ref. No.</b>	RN100221878		
<b>Facility/Site Region</b>	10-Beaumont	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	35516	<b>No. of Violations</b>	1
<b>Docket No.</b>	2008-0401-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	J. Craig Fleming
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 3
<b>Admin. Penalty \$</b>	<b>Limit Minimum</b>	\$0	<b>Maximum</b>
			\$10,000

## Penalty Calculation Section

### TOTAL BASE PENALTY (Sum of violation base penalties)

**Subtotal 1** 

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History**  Enhancement **Subtotals 2, 3, & 7** 
**Notes** 
**Culpability**   Enhancement

**Subtotal 4** 
**Notes** 
**Good Faith Effort to Comply**  Reduction

**Subtotal 5** 

	Before NOV	NOV to EDP RP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

**Notes** 

0% Enhancement\*

**Subtotal 6** 

Total EB Amounts	\$82
Approx. Cost of Compliance	\$5,000

\*Capped at the Total EB \$ Amount

### SUM OF SUBTOTALS 1-7

**Final Subtotal** 

### OTHER FACTORS AS JUSTICE MAY REQUIRE

**Adjustment** 

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**
**Final Penalty Amount** 

### STATUTORY LIMIT ADJUSTMENT

**Final Assessed Penalty** 

### DEFERRAL

Reduction

**Adjustment** 

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**

### PAYABLE PENALTY

Screening Date 10-Mar-2008

Docket No. 2008-0401-AIR-E

PCW

Respondent Tennessee Gas Pipeline Company

Policy Revision 2 (September 2002)

Case ID No. 35516

PCW Revision February 29, 2008

Reg. Ent. Reference No. RN100221878

Media [Statute] Air

Enf. Coordinator J. Craig Fleming

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 7%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

A penalty enhancement is recommended for one NOV issued for same or similar violations, and one NOV issued for non-similar violations.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 7%

<b>Screening Date</b> 10-Mar-2008 <b>Respondent</b> Tennessee Gas Pipeline Company <b>Case ID No.</b> 35516 <b>Reg. Ent. Reference No.</b> RN100221878 <b>Media [Statute]</b> Air <b>Enf. Coordinator</b> J. Craig Fleming <b>Violation Number</b> <input type="text" value="1"/>	<b>Docket No.</b> 2008-0401-AIR-E <b>PCW</b> <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision February 29, 2008</i>																			
<b>Rule Cite(s)</b> 30 Tex. Admin. Code § 116.115(c), New Source Review Permit No. 56321, Special Conditions 1 and 2, and Tex. Health & Safety Code § 382.085(b)																				
<b>Violation Description</b> Failed to maintain an emission rate below the allowable emission limits. Specifically, during the emission testing conducted on August 23, 2007, the Carbon Monoxide ("CO") emissions from Engine 5A were 9.64 lbs/hr (authorized limit of 7.28 lbs/hr), and 3.98 grams of CO per brake horsepower per hour (authorized limit of 3.0 grams of CO per brake horsepower per hour).																				
<b>Base Penalty</b> <input type="text" value="\$10,000"/>																				
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>																				
OR	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td colspan="3" style="text-align: center;"><b>Harm</b></td> <td></td> </tr> <tr> <td style="text-align: center;"><b>Release</b></td> <td style="text-align: center;">Major</td> <td style="text-align: center;">Moderate</td> <td style="text-align: center;">Minor</td> <td></td> </tr> <tr> <td style="text-align: center;">Actual</td> <td><input type="text"/></td> <td><input type="text"/></td> <td style="text-align: center;">x</td> <td rowspan="2" style="text-align: right; vertical-align: middle;"><b>Percent</b> <input type="text" value="25%"/></td> </tr> <tr> <td style="text-align: center;">Potential</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </table>		<b>Harm</b>				<b>Release</b>	Major	Moderate	Minor		Actual	<input type="text"/>	<input type="text"/>	x	<b>Percent</b> <input type="text" value="25%"/>	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<b>&gt;&gt; Programmatic Matrix</b>																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Major</td> <td style="text-align: center;">Moderate</td> <td style="text-align: center;">Minor</td> <td></td> </tr> <tr> <td style="text-align: center;">Falsification</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td style="text-align: right; vertical-align: middle;"><b>Percent</b> <input type="text" value="0%"/></td> </tr> </table>		Major	Moderate	Minor		Falsification	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>									
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Falsification	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>																
<b>Matrix Notes</b>	<div style="border: 1px solid black; padding: 5px;">Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors.</div>																			
<b>Adjustment</b> <input type="text" value="\$7,500"/>																				
<input type="text" value="\$2,500"/>																				
<b>Violation Events</b>																				
<table style="width: 100%;"> <tr> <td style="width: 50%;"> <b>Number of Violation Events</b> <input type="text" value="1"/> </td> <td style="width: 50%;"> <b>Number of violation days</b> <input type="text" value="1"/> </td> </tr> </table>		<b>Number of Violation Events</b> <input type="text" value="1"/>	<b>Number of violation days</b> <input type="text" value="1"/>																	
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<i>mark only one with an x</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">daily</td> <td><input type="text"/></td> <td rowspan="5" style="text-align: right; vertical-align: middle;"><b>Violation Base Penalty</b> <input type="text" value="\$2,500"/></td> </tr> <tr> <td style="text-align: center;">monthly</td> <td><input type="text"/></td> </tr> <tr> <td style="text-align: center;">quarterly</td> <td style="text-align: center;">x</td> </tr> <tr> <td style="text-align: center;">semiannual</td> <td><input type="text"/></td> </tr> <tr> <td style="text-align: center;">annual</td> <td><input type="text"/></td> </tr> <tr> <td style="text-align: center;">single event</td> <td><input type="text"/></td> <td></td> </tr> </table>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$2,500"/>	monthly	<input type="text"/>	quarterly	x	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	<input type="text"/>						
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monthly	<input type="text"/>																			
quarterly	x																			
semiannual	<input type="text"/>																			
annual	<input type="text"/>																			
single event	<input type="text"/>																			
<div style="border: 1px solid black; padding: 5px;">One quarterly event is recommended.</div>																				
<b>Economic Benefit (EB) for this violation</b>																				
<b>Statutory Limit Test</b>																				
<b>Estimated EB Amount</b> <input type="text" value="\$82"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$2,050"/>																			
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$2,050"/>																				

**Economic Benefit Worksheet****Respondent** Tennessee Gas Pipeline Company**Case ID No.** 35516**Reg. Ent. Reference No.** RN100221878**Media** Air**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

**Delayed Costs**

Equipment	\$5,000	23-Aug-2007	16-Nov-2007	0.2	\$4	\$78	\$82
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated cost for repairing equipment that led to the emission event. The Date Required is the date of the emission event. The Final Date is the date emission testing was successfully completed and compliance achieved.

**Avoided Costs****ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

**Notes for AVOIDED costs**

NA

**Approx. Cost of Compliance**

\$5,000

**TOTAL**

\$82

# Compliance History

Customer/Respondent/Owner-Operator: CN601223811 Tennessee Gas Pipeline Company Classification: AVERAGE Rating: 2.42  
 Regulated Entity: RN100221878 TENNESSEE GAS PIPELINE COMPRESSOR STATION 32 JASPER Classification: AVERAGE Site Rating: 0.90

ID Number(s):  
 AIR OPERATING PERMITS ACCOUNT NUMBER JC0019S  
 AIR OPERATING PERMITS PERMIT 753  
 PETROLEUM STORAGE TANK REGISTRATION 36447  
 REGISTRATION  
 AIR NEW SOURCE PERMITS PERMIT 48870  
 AIR NEW SOURCE PERMITS PERMIT 49019  
 AIR NEW SOURCE PERMITS ACCOUNT NUMBER JC0019S  
 AIR NEW SOURCE PERMITS PERMIT 51944  
 AIR NEW SOURCE PERMITS PERMIT 52132  
 AIR NEW SOURCE PERMITS PERMIT 56321  
 AIR NEW SOURCE PERMITS PERMIT 55289  
 AIR NEW SOURCE PERMITS AFS NUM 4824100022

Location: 9217 STATE HIGHWAY 63 WEST, JASPER COUNTY, TEXAS Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 10 - BEAUMONT  
 Date Compliance History Prepared: March 06, 2008  
 Agency Decision Requiring Compliance History: Enforcement  
 Compliance Period: March 06, 2003 to March 06, 2008

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: J. Craig Fleming Phone: (512) 239-5806

## Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

## Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.  
N/A
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
  - 1 04/03/2003 (28823)
  - 2 03/19/2004 (265041)
  - 3 02/22/2005 (350578)
  - 4 12/14/2005 (435233)
  - 5 11/09/2006 (509855)
  - 6 02/13/2007 (536932)
  - 7 04/26/2007 (542471)
  - 8 05/04/2007 (553996)
  - 9 07/10/2007 (565764)
  - 10 11/16/2007 (596340)
  - 11 02/25/2008 (617131)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

- 1 Date: 04/03/2003 (28823)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)  
Description: Failure to submit Title V Compliance Certification no later than 30 days after the end of the certification period.
- 2 Date 11/10/2006 (509855)  
Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(9)  
30 TAC Chapter 122, SubChapter F 122.504(a)(3)(B)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Description: Failure to incorporate into Title V permit Number (No.) O-00753 the applicable requirements found in Voluntary Emission Reduction Permit (VERP) Number (No.) 48870 and Pipeline Facility Permit (PFP) No. 56321.
- Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 116, SubChapter H 116.814(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
Description: Failure to limit the CO emissions from the company's Worthington engine to the authorized limit found in Voluntary Emission Reduction Permit (VERP) Number (No.) 48870.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
TENNESSEE GAS PIPELINE  
COMPANY  
RN100221878**

**§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§  
§ ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2008-0401-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Tennessee Gas Pipeline Company ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a natural gas compressor station at 9217 State Highway 63 West, Jasper County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about March 1, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Thousand Fifty Dollars (\$2,050) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The



Respondent has paid One Thousand Six Hundred Forty Dollars (\$1,640) of the administrative penalty and Four Hundred Ten Dollars (\$410) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. Compressor engine 5A unit was taken off-line and removed from service on August 23, 2007;
  - b. Necessary repairs were completed, and the unit was restarted and returned to service on November 15, 2007; and
  - c. Emission testing was successfully completed for the purpose of demonstrating compliance on November 16, 2007.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to maintain an emission rate below the allowable emission limits, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 56321, Special Conditions 1 and 2, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on February 4, 2008. Specifically, during the emission testing conducted on August 23, 2007, the Carbon Monoxide ("CO") emissions from Engine 5A were 9.64 pounds per hour ("lbs/hr") (authorized limit of 7.28 lbs/hr), and 3.98 grams of CO per brake horsepower per hour (authorized limit of 3.0 grams of CO per brake horsepower per hour).



### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Tennessee Gas Pipeline Company, Docket No. 2008-0401-AIR-E" to:  
  
Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.



Tennessee Gas Pipeline Company  
DOCKET NO 2008-0401-AIR-E  
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## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

  
For the Executive Director

6/30/2008  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution

  
Signature

SJM

April 15, 2008  
Date

Daniel B. Martin  
Name (Printed or typed)  
Authorized Representative of  
Tennessee Gas Pipeline Company

Senior Vice President  
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

